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BY ELECTRONIC MAIL to FR0001@ustr.gov

Ms. Gloria Blue, Executive Secretary Trade Policy Staff Committee Office of the U.S. Trade Representative 600 Seventeenth Street, N.W. Washington, D.C. 20508

Re: Section 201 Steel Investigation

Exclusion Request regarding Carbon Steel Ring Flanges

Dear Ms. Blue:

In accordance with the notices published in the Federal Register on October 26 and November 29, 2001, 66 Fed. Reg. 54321, 59599 (2001), we hereby respond on behalf of National Flange and Fitting Co., Inc. to the requested exclusion from import relief of carbon steel ring flanges. The requested exclusion was submitted by CAB Inc. and CAB Flange Manufacturing Inc. in a letter dated November 13, 2001.

We enclose a sworn Declaration of Alois O. Keilers, the President and founder of National Flange, who describes his company's capabilities to produce ring flanges of a wide range of sizes and in substantial quantities. National Flange currently produces and sells ring flanges and has the capacity to produce many more. The influx of imports, however, has reduced the demand for domestic ring flanges. National Flange urges that import relief be imposed on ring flanges so that National Flange can regain and expand its sales, invest in new equipment, and become more competitive with imports.

Respectfully submitted,

/s/ Simeon M. Kriesberg

Simeon M. Kriesberg Counsel for National Flange and Fitting Co., Inc.

Enclosure

## DECLARATION OF ALOIS O. KEILERS

## ALOIS O. KEILERS, being duly sworn, states as follows:

- 1. I am the President and founder of National Flange and Fitting Company, Inc., located in Houston, Texas. National Flange produces a wide range of carbon steel flanges, including low pressure ring flanges ("ring flanges"), which we sell to the steel trade throughout the United States.
- 2. This Declaration is submitted in opposition to any exclusion of ring flanges from the scope of any remedy ordered by the President in the Section 201 proceeding on steel products.
- 3. In a letter to the U.S. Trade Representative dated November 13, 2001, CAB Inc. and CAB Flange Manufacturing, Inc. urged that ring flanges be excluded. The letter enclosed a statement of Dennis Rinearson of California Pipe Fabricators, Inc., which states that "domestic flange producers like National Flange" do not "even make the product used in our piping systems in anything approaching commercial quantities, if at all." The letter also enclosed a statement of David Cox of Mid-America Pipe, which states that "National Flange . . . [does] not supply this product in commercial quantities, if at all, nor [does it] even have the equipment to make many of the larger diameter low pressure ring flanges we require." These statements are untrue.
- 4. National Flange currently produces commercial quantities of ring flanges in a wide range of sizes. We are fully equipped for production of ring flanges with diameters of up to 108 inches. I estimate that about 95 to 98 percent of all ring flanges sold are 108 inches in diameter or less. Ring flanges above that size are rare, and their total dollar value of sales is minimal by comparison with those of diameters up to 108 inches. In any event, if necessary for a customer, National Flange can manufacture ring flanges of even larger size, such as 170-inch diameters, since we have ready access to machinery and equipment that can be leased either short-term or long-term for purposes of producing these larger sizes.
- 5. We produce our ring flanges from forgings, but we are also capable of producing them from plate. To my knowledge, we have not turned away orders for such flanges, and we endeavor to sell them nationwide. To my knowledge, we have not received any orders from California Pipe Fabricators or Mid-America Pipe, and Messrs. Rinearson and Cox are obviously unfamiliar with National Flange's capabilities. (Ironically, Mr. Rinearson refers to the difficulty of transporting ring flanges across the Rocky Mountains, apparently a reference to the location of CAB Flange Manufacturing in Georgia. National Flange, however, being located in Houston, is much closer to the Kansas location of Mid-America Pipe and the California location of California Pipe Fabricators than is CAB Flange Manufacturing.)

- 6. National Flange has the capacity to fill many more orders for ring flanges than we currently are receiving. Indeed, National Flange could double or triple our output of ring flanges if the market were not flooded with imports. Letting imports enter the United States without restraint has done, and would continue to do, great damage to our business. Our hope is that the President will impose an effective remedy regarding carbon steel flanges, including ring flanges, thus enabling us to purchase additional equipment, to lower our cost of producing ring flanges, and to be more competitive with imports once the remedy expires. In the meantime, we are open for business and intend to continue to serve the U.S. market for ring flanges.
  - 7. I declare under penalty of perjury that the foregoing is true and correct.

ALOIS O. KEILERS

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Dated at Houston, Texas, this 3 day of December, 2001.